federal register

Friday
June 19, 1981

Part III

Department of the Interior

Bureau of Land Management

Outer Continental Shelf, Gulf of Mexico; Sale No. A66; Notice of Sale and Notice of Leasing Systems

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management

Outer Continental Shelf
Gulf of Mexico

Oil and Gas Lease Sale No. A66

1. Authority. This notice is published pursuant to the Outer Continental Shelf Lands Act of 1953 (43 U.S.C. 1331-1343), as amended (92 Stat. 629), and the regulations issued thereunder (43 CFR Part 3300).

2. Filing of Bids. Sealed Bids will be received by the Manager, New Orleans Outer Continental Shelf (OCS) Office, Bureau of Land Management, Hale Boggs Federal Building, 500 Camp Street, Suite 841, New Orleans, Louisiana 70130. Bids may be delivered, either by mail or in person, to the above address until 4:15 p.m., c.s.t., July 20, 1981; or by personal delivery to the Louisiana Superdome, Gate "C", Hyatt Ramp, Level 200, Rooms 4 and 5, 1500 Poydras Street New Orleans, Louisiana between the hours of 8:30 a.m., c.s.t., and 9:30 a.m., c.s.t., July 21, 1981. Bids received by the Manager later than the times and dates specified above will be returned unopened to the bidders. Bids may not be modified or withdrawn unless written modification or withdrawal is received by the Manager prior to 9:30 a.m., c.s.t., July 21, 1981. All bids must be submitted and will be considered in accordance with applicable regulations, including 43 CFR Part 3300. The list of restricted joint bidders which applies to this sale was published in 46 FR 22270, April 16, 1981.

3. Method of Bidding. A separate bid in a sealed envelope, labeled "Sealed Bid for Oil and Gas Lease (insert number of tract), not to be opened until 10:00 a.m., c.s.t., July 21, 1981" must be submitted for each tract. A suggested form appears in 43 CFR Part 3300, Appendix A for bonus bid tracts. Bidders are advised that tract numbers are assigned solely for administrative purposes and are not the same as block numbers found on official protraction diagrams or leasing maps. All bids received shall be deemed submitted for a numbered tract. Bidders must submit with each bid one-fifth of the cash bonus in cash or by cashier's check, bank draft, or certified check payable to the order of the Bureau of Land Management. No bid for less than a full tract as described in paragraph 11 will be considered. Bidders submitting joint bids must state on the bid form the proportionate interest of each participating bidder, in percent to a maximum of three decimal places after the decimal point, e.g., 50.123%, as well as submit a sworn statement that the bidder is not disqualified under 43 CFR Subpart 3316. The suggested form for this statement to be used in joint bids appears in 43 CFR Part 3300, Appendix B. Other documents may be required of bidders under 43 CFR 3316.4. Bidders are warned against violation of 18 U.S.C. 1860, prohibiting unlawful combination or intimidation of bidders.

4. Bidding Systems. The proposed notice of sale for sale A66 included 28 tracts to be offered under net profit share bidding with a fixed cash bonus. Meanwhile the Supreme Court granted certiorari to review the decision in the U.S. Court of Appeals for the District of Columbia Circuit in Energy Action Educational Foundation v. Andrus, Civil No. 79-1633. On June 12, 1981, the Court of Appeals ruled that experimentation with the net profit share bid system is not required prior to a decision by the Supreme Court. As a result no tracts will be offered under net profit share bidding with a fixed cash bonus for sale A66.

All leases awarded for this sale will provide for a yearly rental payment of $3 per acre or fraction thereof. The following systems will be utilized:

(a) Bonus Bidding with a Fixed Net Profit Share: Bids on tracts A66-9, A66-10, A66-11, A66-12, A66-13, A66-17, A66-51, A66-58, A66-59, A66-60, A66-67, A66-68, A66-69, A66-70, A66-71, A66-175, A66-176, A66-197, A66-198, A66-199, A66-200, A66-201, A66-202, and A66-203 must be submitted on a cash bonus basis with a fixed net profit share rate of 50 percent. Tracts A66-197, A66-198, A66-199,

A66-200, A66-201, A66-202, and A66-203 will have a capital recovery factor equal to 1.0 and tracts A66-175 and A66-176 will have a factor of 0.50. All of the remaining tracts listed above will have a capital recovery factor equal to 0.25. The net profit share payment shall be calculated according to the Department of Energy regulations in 10 CFR 390 (45 FR 36784, May 30, 1980).

(b) Bonus Bidding with a 16-2/3 Percent Royalty. Bids on the remaining tracts to be offered at this sale must be submitted on a cash bonus basis with a fixed royalty of 16-2/3 percent. All leases awarded under this system will provide for a minimum annual royalty payment of $3 per acre or fraction thereof.

5. Equal Opportunity. Each bidder must have submitted by 9:30 a.m., c.s.t., July 21, 1981, the certification required by 41 CFR 60-1.7(b) and Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, on the Compliance Report Certification Form, Form 1140-8 (November 1973), and the Affirmative Action Representation Form, Form 1140-7 (December 1971). See Item 14, "Information to Lessees."

6. Bid Opening. Bids will be opened on July 21, 1981, beginning at 10:00 a.m., c.s.t., at the Louisiana Superdome, at the address stated in paragraph 2. The opening of the bids is for the sole purpose of publicly announcing and recording bids received and no bids will be accepted or rejected at that time. If the Department is prohibited for any reason from opening any bid before midnight, July 21, 1981, that bid will be returned unopened to the bidder, as soon thereafter as possible.

7. Deposit of Payment. Any cash, cashier's checks, certified checks or bank drafts, submitted with a bid may be deposited in a suspense account in the Treasury during the period the bids are being considered. Such a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

8. Withdrawal of Tracts. The United States reserves the right to withdraw any tract from this sale prior to issuance of a written acceptance of a bid for the tract.

9. Acceptance or Rejection of Bids. The United States reserves the right to reject any and all bids for any tract. In any case, no bid for any tract will be accepted and no lease for any tract will be awarded to any bidder unless:

(a) The bidder has complied with all requirements of this notice and applicable regulations;

(b) The bid is the highest valid bid; and

(c) The amount of the bid has been determined to be adequate by the Secretary of the Interior.

No bonus bid will be considered for acceptance unless it provides for a cash bonus in the amount of $25 or more per acre or fraction thereof.

10. Successful Bidders. Each person who has submitted a bid accepted by the Secretary of the Interior will be required to execute copies of the lease specified below, pay the balance of the cash bonus together with the first year's annual rental and satisfy the bonding requirements of 43 CFR Subpart 3318 within the time provided in 43 CFR 3316.5.

11. Leasing Maps/Official Protraction Diagrams. Tracts offered for lease may be located on the following leasing maps/official protraction diagrams which are available from the Manager, New Orleans Outer Continental Shelf Office at the address stated in paragraph 2.

(a) Outer Continental Shelf Leasing Maps - Texas Nos. 1 through 8. These maps are arranged in two sets, Nos. 1 through 4 (7 maps), which sell for $5 per set; and Nos. 5 through 8 (9 maps), which sell for $7 per set.

(b) Outer Continental Shelf Leasing Maps - Louisiana Nos. 1 through 12. This is a set of 27 maps which sells for $17.

(c) Outer Continental Shelf Official Protraction Diagrams:

NG 15-1 Past Breaks

NG 15-3 Green Canyon

These sell for $2 each.

12. Tract Descriptions. The tracts offered for bids are as follows: Note: There may be gaps in the numbers of the tracts listed. Some of the blocks identified in the final environmental statement may not be included in this notice. Some of the blocks are included in prior environmental statements rather than the environmental statement for this sale.

TRACT LIST

SALE A66

OCS LEASING MAP, SOUTH PADRE ISLAND AREA, TEXAS MAP NO. 1
(Approved July 16, 1954)

Tract	Block	Description	Acreage
A66-1	1101	All	5760
A66-2	1102	All	5760

OCS LEASING MAP, SOUTH PADRE ISLAND AREA, EAST ADDITION, TEXAS MAP NO. 1A
(Approved May 6, 1965)

Tract	Block	Description	Acreage
A66-3	1117	All	5760
A66-4	A-62	All	5760

OCS LEASING MAP, NORTH PADRE ISLAND AREA, TEXAS MAP NO. 2
(Approved July 16, 1954)

Tract	Block	Description	Acreage
A66-5	958	All	5760
A66-6	965	1/	5728.30

OCS LEASING MAP, NORTH PADRE ISLAND AREA, EAST ADDITION, TEXAS MAP NO. 2A
(Approved May 6, 1965)

Tract	Block	Description	Acreage
A66-7	A-9	All	5760
A66-8	A-27	All	5760
A66-9	A-51	All	5760
A66-10	A-92	All	5760
A66-11	A-93	All	5760
A66-12	A-103	All	5760
A66-13	A-104	All	5760

OCS LEASING MAP, MUSTANG ISLAND AREA, TEXAS MAP NO. 3
(Approved July 16, 1954; Revised October 31, 1961)

Tract	Block	Description	Acreage
A66-14	844	All	5760

OCS LEASING MAP, MUSTANG ISLAND AREA, EAST ADDITION, TEXAS MAP NO. 3A
(Approved January 23, 1967)

Tract	Block	Description	Acreage
A66-15	760	All	5760
A66-16	A-83	All	5760
A66-17	A-107	All	5760
A66-18	A-113	All	5760
A66-19	A-117	All	5760
A66-20	A-118	All	5760
A66-21	A-120	All	5760
A66-22	A-121	All	5760

OCS LEASING MAP, MATAGORDA ISLAND AREA, TEXAS MAP NO. 4
(Approved July 16, 1954)

Tract	Block	Description	Acreage
A66-23	567	All	5760
A66-24	652	All	5760
A66-25	672	All	5760
A66-26	681	All	5760
A66-27	695	1/	892.63
A66-28	696	2/	5372.72
A66-29	697	All	5760
A66-30	702	All	5760
A66-31	704	All	5760
A66-32	705	All	5760
A66-33	710	All	5760
A66-34	711	All	5760
A66-35	716	All	5760
A66-36	717	All	5760

OCS LEASING MAP, BRAZOS AREA, TEXAS MAP NO. 5
(Approved July 16, 1954)

Tract	Block	Description	Acreage
A66-37	410	1/	1850
A66-38	452	All	5760
A66-39	453	All	5760
A66-40	500	All	5760
A66-41	A-3	All	5760
A66-42	A-10	All	5760
A66-43	A-30	All	5760
A66-44	A-33	All	5760
A66-45	A-34	All	5760
A66-46	A-42	All	5760

OCS LEASING MAP, GALVESTON AREA, TEXAS MAP NO. 6
(Approved July 16, 1954)

Tract	Block	Description	Acreage
A66-47	238	All	5760
A66-48	258	All	5760
A66-49	321	All	5760
A66-50	323	All	5760
A66-51	350	All	5760
A66-52	388	All	5760
A66-53	A-35	All	5760
A66-54	A-38	All	5760
A66-55	A-84	All	5760
A66-56	A-113	All	5760

OCS LEASING MAP, GALVESTON AREA, SOUTH ADDITION, TEXAS MAP NO. 6A
(Approved September 24, 1959)

Tract	Block	Description	Acreage
A66-57	A-127	All	5760
A66-58	A-210	All	5760
A66-59	A-224	All	5760
A66-60	A-227	All	5760

OCS LEASING MAP, HIGH ISLAND AREA, TEXAS MAP NO. 7
(Approved July 16, 1954; Revised August 1955)

Tract	Block	Description	Acreage
A66-61	19	3/	3075.32
A66-62	162	All	5760
A66-63	163	All	5760
A66-64	169	All	5760
A66-65	170	All	5760
A66-66	A-6	All	5760
A66-67	A-24	All	5760
A66-68	A-26	All	5760
A66-69	A-33	All	5760
A66-70	A-34	All	5760
A66-71	A-35	All	5760

OCS LEASING MAP, HIGH ISLAND AREA, EAST ADDITION, TEXAS MAP NO. 7A
(Approved January 23, 1967)

Tract	Block	Description	Acreage
A66-72	84	All	5760
A66-73	85	All	5760
A66-74	118	All	5760
A66-75	119	All	5760
A66-76	A-170	All	5760
A66-77	A-171	All	5760

OCS LEASING MAP, HIGH ISLAND AREA, SOUTH ADDITION, TEXAS MAP NO. 7B
(Approved September 24, 1959)

Tract	Block	Description	Acreage
A66-78	A-476	All	5760
A66-79	A-487	All	5760
A66-80	A-501	All	5760

OCS LEASING MAP, HIGH ISLAND AREA, EAST ADDITION, SOUTH EXTENSION, TEXAS MAP NO. 7C
(Approved September 24, 1959)

Tract	Block	Description	Acreage
A66-81	A-338	All	5760
A66-82	A-344	All	5760

OCS LEASING MAP, SABINE PASS AREA, TEXAS MAP NO. 8
(Approved March 7, 1977)

Tract	Block	Description	Acreage
A66-83	40	All	1071.55
A66-84	44	All	260.11

OCS LEASING MAP, SABINE PASS AREA, LOUISIANA MAP NO. 12
(Approved March 7, 1977)

Tract	Block	Description	Acreage
A66-85	15	All	5000
A66-86	16	All	2033.83

OCS LEASING MAP, WEST CAMERON AREA, LOUISIANA MAP NO. 1
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A66-87	63	All	5000
A66-88	94	All	5000
A66-89	95	All	5000
A66-90	111	W½; NE¼	3750
A66-91	128	All	5000
A66-92	131	All	5000
A66-93	132	N½	2500
A66-94	148	All	5000
A66-95	153	All	5000
A66-96	192	N½	2500
A66-97	212	All	5000
A66-98	233	All	5000
A66-99	244	All	5000
A66-100	246	All	5000
A66-101	247	All	5000
A66-102	277	All	5000

OCS LEASING MAP, WEST CAMERON AREA, WEST ADDITION, LOUISIANA MAP NO. 1A
(Approved November 15, 1955; Revised January 30, 1957)

Tract	Block	Description	Acreage
A66-103	287	All	5362.33
A66-104	296	All	4458.33
A66-105	305	All	5000
A66-106	311	All	5000
A66-107	320	All	5000
A66-108	364	All	5000
A66-109	369	All	5000
A66-110	386	All	5000
A66-111	392	All	5000
A66-112	413	All	5000
A66-113	425	All	5000
A66-114	432	All	5000

OCS LEASING MAP, WEST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 1B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A66-115	492	All	5000
A66-116	535	All	5000
A66-117	536	All	5000
A66-118	574	All	5000
A66-119	622	All	5000
A66-120	623	All	5000
A66-121	641	All	5000
A66-122	644	All	5000

OCS LEASING MAP, EAST CAMERON AREA, LOUISIANA MAP NO. 2
(Approved June 8, 1954; Revised August 1, 1973)

Tract	Block	Description	Acreage
A66-123	32	All	5000
A66-124	40	All	5000
A66-125	106	All	5000
A66-126	125	All	5000
A66-127	213	All	5000

OCS LEASING MAP, EAST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 2A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A66-128	249	All	5000
A66-129	312	All	5000
A66-130	328	All	5000
A66-131	366	All	5000

OCS LEASING MAP, VERMILION AREA, LOUISIANA MAP NO. 3
(Approved June 8, 1954; Revised June 25, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A66-132	28	4/	3380.24
A66-133	30	All	4661.38
A66-134	33	All	5000
A66-135	66	All	5000
A66-136	79	All	5000
A66-137	118	All	5000
A66-138	120	All	5000
A66-139	152	All	4814.57
A66-140	153	All	5000
A66-141	166	All	5000
A66-142	167	All	5000
A66-143	170	All	5000
A66-144	173	All	5000
A66-145	178	E½; E½NW¼; E½NW¼NW¼; E½SW¼; S½NW¼SW¼; SW¼SW¼	4375
A66-146	179	W½NE¼; W½SE¼NE¼; W½; W½NE¼SE¼; SE¼NE¼SE¼; W½SE¼; SE¼SE¼	4453.125
A66-147	181	All	4980.42
A66-148	197	All	5000
A66-149	206	All	5000
A66-150	222	All	5260.93

OCS LEASING MAP, VERMILION AREA, SOUTH ADDITION, LOUISIANA MAP NO. 3B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A66-151	257	All	5000
A66-152	271	All	4417.50
A66-153	292	All	4309.21
A66-154	295	All	5000
A66-155	296	All	5000
A66-156	297	All	5000
A66-157	303	All	5000
A66-158	312	All	4237.01

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, LOUISIANA MAP NO. 3A
(Approved August 7, 1959)

Tract	Block	Description	Acreage
A66-159	12	All	5000
A66-160	13	All	5000
A66-161	15	All	5215.75
A66-162	67	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, SOUTH ADDITION, LOUISIANA MAP NO. 3C
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A66-163	87	All	3076.71
A66-164	118	All	3185.01
A66-165	120	All	2500
A66-166	161	All	5000
A66-167	162	All	5000
A66-168	172	All	5000
A66-169	176	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, NORTH ADDITION, LOUISIANA MAP NO. 3D
(Approved April 16, 1971; Revised January 18, 1972)

Tract	Block	Description	Acreage
A66-170	230	5/	792.05
A66-171	233	All	4854.78
A66-172	245	All	5000
A66-173	246	All	4890.88
A66-174	266	All	5000

OCS OFFICIAL PROTRACTION DIAGRAM, EAST BREAKS NG 15-1
(Approved June 8, 1973; Revised January 27, 1976)

Tract	Block	Description	Acreage
A66-175	247	All	5760
A66-176	248	All	5760

OCS LEASING MAP, WEST CAMERON AREA, WEST ADDITION, LOUISIANA MAP NO. 1A
(Approved November 15, 1955; Revised January 30, 1957)

Tract	Block	Description	Acreage
A66-177	289	All	5000
A66-178	290	All	5000
A66-179	363	All	5000

OCS LEASING MAP, WEST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 1B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A66-180	489	All	5000
A66-181	490	All	5000

OCS LEASING MAP, VERMILION AREA, LOUISIANA MAP NO. 3
(Approved June 8, 1954; Revised June 25, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A66-182	89	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, LOUISIANA MAP NO. 3A
(Approved August 7, 1959)

Tract	Block	Description	Acreage
A66-183	34	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, NORTH ADDITION, LOUISIANA MAP NO. 3D
(Approved April 16, 1971; Revised January 18, 1972)

Tract	Block	Description	Acreage
A66-184	274	All	5035.27

OCS LEASING MAP, EUGENE ISLAND AREA, LOUISIANA MAP NO. 4
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A66-185	76	All	5000
A66-186	90	N½; SW¼	3750

OCS LEASING MAP, SHIP SHOAL AREA, LOUISIANA MAP NO. 5
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A66-187	14	6/	3237.50

OCS LEASING MAP, SHIP SHOAL AREA, SOUTH ADDITION, LOUISIANA MAP NO. 5A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A66-188	332	All	5300.60

OCS LEASING MAP, SOUTH TIMBALIER AREA, LOUISIANA MAP NO. 6
(Approved June 8, 1954; Revised July 22, 1954; Revised December 9, 1954)

Tract	Block	Description	Acreage
A66-189	77	All	5000
A66-190	160	All	5000
A66-191	209	All	5000

OCS LEASING MAP, SOUTH TIMBALIER AREA, SOUTH ADDITION, LOUISIANA MAP NO. 6A
(Approved September 8, 1959; Revised July 22, 1968)

Tract	Block	Description	Acreage
A66-192	228	All	5000

OCS LEASING MAP, SOUTH PASS AREA, LOUISIANA MAP NO. 9
(Approved June 8, 1954; Revised July 22, 1954; Revised May 11, 1973)

Tract	Block	Description	Acreage
A66-193	56	7/	2999.84

OCS LEASING MAP, MAIN PASS AREA, LOUISIANA MAP NO. 10
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A66-194	108	All	4994.55
A66-195	126	All	4994.55

OCS LEASING MAP, MAIN PASS AREA, SOUTH AND EAST ADDITION, LOUISIANA MAP NO. 10A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A66-196	265	All	4994.55

OCS OFFICIAL PROTRACTION DIAGRAM, GREEN CANYON NG 15-3
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
A66-197	133	All	5760
A66-198	135	All	5760
A66-199	139	All	5760
A66-200	140	All	5760
A66-201	180	All	5760
A66-202	181	All	5760
A66-203	182	All	5760

OCS LEASING MAP, SHIP SHOAL AREA, LOUISIANA MAP NO. 5
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A66-204	171	All	5000

OCS LEASING MAP, SOUTH TIMBALIER AREA, LOUISIANA MAP NO. 6
(Approved June 8, 1954; Revised July 22, 1954; Revised December 9, 1954)

Tract	Block	Description	Acreage
A66-205	34	All	3772.18

OCS LEASING MAP, WEST DELTA AREA, LOUISIANA MAP NO. 8
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A66-206	78	All	5000

OCS LEASING MAP, WEST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 1B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A66-207	575	All	5000

OCS LEASING MAP, BRAZOS AREA, TEXAS MAP NO. 5
(Approved July 16, 1954)

Tract	Block	Description	Acreage
A66-208	(438 & (439	1/	5055

OCS LEASING MAP, GALVESTON AREA, TEXAS MAP NO. 6
(Approved July 16, 1954)

Tract	Block	Description	Acreage
A66-209	241	N½	2880
A66-210	272	All	5760
A66-211	426	All	5760

OCS LEASING MAP, HIGH ISLAND AREA, SOUTH ADDITION, TEXAS MAP NO. 7B
(Approved September 24, 1959)

Tract	Block	Description	Acreage
A66-212	A-543	All	5760

1/ That portion of the lease block seaward of the Three Marine League Line.

2/ That portion of the lease block seaward of the Three Marine League Line measured from the historic shoreline described in the United States vs. Louisiana, No. 9 Original (394 U.S. 836).

3/ That portion of the lease block seaward of the Three Marine League Line and/or that portion of the lease block seaward of the Three Marine League Line measured from the historic shoreline described in the United States vs. Louisiana, No. 9 Original (394 U.S. 836). The NE¼ of the lease block controlled by the historic shoreline and the NW¼ of the lease block controlled by the present day shoreline.

4/ That portion of the lease block which is more than three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13).

5/ A portion of Block 230, OCS Leasing Map, South Marsh Island Area, North Addition, Louisiana Map No. 3D, described as follows:

Beginning at the southwest corner of Block 230, the coordinates of which referred to the Louisiana (Lambert) Coordinate System (South Zone), are X=1,765,446.562 and Y=246,149.987;

From the initial corner,

East 12,103.438 ft. to X=1,777,550.00 Y=246,149.987
N. 64° 35'31" W. 4,428.32 ft. to X=1,773,550.00 Y=248,045.00
N. 65°08'11" W. 4,518.85 ft. to X=1,769,450.00 Y=249,950.00
N. 64°36'41" W. 4,431.47 ft. to X=1,765,446.562 Y=251,850.00
South 5,700.013 Ft. to the point of beginning.

The position of the corners and direction of the lines are referred to the Louisiana (Lambert) Coordination Syster (South Zone).

6/ That portion of the lease block which is more than three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13) excluding the S½S½.

7/ That portion of the lease block located landward of a line which is three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, December 13, 1965, United States vs. Louisiana No. 9 Original (382 U. S. 288).

13. Lease Terms and Stipulations. All leases issued as a result of this sale will be for an initial term of 5 years. Leases issued as a result of this sale will be on Form 3300-1 (September 1978), available from the Manager, New Orleans Outer Continental Shelf Office, at the address stated in paragraph 2.

(a) For leases resulting from this sale for tracts offered on a cash bonus basis with a fixed net profit share listed in paragraph 4 (a), Form 3300-1 will be amended as follows:

Sec. 4 Rentals. The phrase "which commences prior to a discovery in paying quantities of oil or gas on the leased area" is hereby deleted and replaced by "which commences prior to the date the first net profit share payment becomes due."

Sec. 5. Minimum Royalty. Hereby deleted.

Sec. 6. Royalty on Production. Hereby replaced by Net Profit Share. The lessee agrees to pay a net profit share rate of 50 percent with a _____ capital recovery factor, calculated pursuant to 10 CFR 390.

(b) Except as otherwise noted, the following stipulations will be included in each lease resulting from this sale. In the following stipulations the term DCM refers to the Deputy Conservation Manager for Field Operations, Gulf of Mexico OCS Region, U. S. Geological Survey and the term Manager refers to the Manager of the New Orleans OCS Office of the Bureau of Land Management.

Stipulation No. 1

If the DCM, having reason to believe that a site, structure or object of historical or archaeological significance hereinafter referred to as "cultural resource," may exist in the lease area, gives the lessee written notice that the lessor is invoking the provisions of this stipulation, the lessee shall upon receipt of such notice comply with the following requirements:

Prior to any drilling activity or the construction or placement of any structure for exploration or development on the lease, including, but not limited to, well drilling and pipeline and platform placement, hereinafter in this stipulation referred to as "operation," the lessee shall conduct remote sensing surveys to determine the potential existence of any cultural resource that may be affected by such operations. All data produced by such remote sensing surveys as well as other pertinent natural and cultural environmental data shall be examined by a qualified marine survey archaeologist to determine if indications are present suggesting the existence of a cultural resource that may be adversely affected by any lease operation. A report of this survey and assessment prepared by the marine survey archaeologist shall be submitted by the lessee to the DCM and to the Manager for review.

If such cultural resource indicators are present the lessee shall: (1) locate the site of such operation so as not to affect adversely the identified location; or (2) establish, to the satisfaction of the DCM, on the basis of further archaeological investigation conducted by a qualified marine survey archaeologist or underwater archaeologist using such survey equipment and techniques as deemed necessary by the DCM either that such operation will not adversely affect the location identified or that the potential cultural resource suggested by the occurrence of the indicators does not exist.

A report of this investigation prepared by the marine survey archaeologist or underwater archaeologist shall be submitted to the DCM and the Manager for review. Should the DCM determine that the existence of a cultural resource which may be adversely affected by such operation is sufficiently established to warrant protection, the lessee shall take no action that may result in an adverse effect on such cultural resource until the DCM has given directions as to its preservation.

The lessee agrees that if any site, structure or object of historical or archaeological significance should be discovered during the conduct of any operations on the leased area, he shall report immediately such findings to the DCM and make every reasonable effort to preserve and protect the cultural resource from damage until the DCM has given directions as to its preservation.

Stipulation No. 2

(To be included only in leases resulting from this sale for Tracts A66-19 and A66-20).

(a) No structures, drilling rigs, or pipelines will be allowed within the 70 m isobaths of Aransas Bank nor within 68 m isobath of North Hospital Bank as shown in Figure 2. (Attached to and made a part of this lease).

(b) All operations within the areas shown as "1 Mile Zone" in Figure 2 shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than six meters, from the bottom.

(c) Development and production operations within the areas shown as "3 Mile Zone" in Figure 2 shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than six meters, from the bottom.

Stipulation No. 3

(To be included only in the lease resulting from this sale for Tract A66-18).

Development and production operations within the area of South Baker Bank shown as "3 Mile Zone" in Figure 3 (attached to and made a part of this lease) shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than six meters, from the bottom.

Stipulation No. 4

(To be included only in leases resulting from this sale for Tracts A66-79 and A66-80).

Operations within the area of Stetson Bank shown as "3 Mile Zone" in Figure 4 (attached to and made a part of this lease), shall be restricted as specified in either (a) or (b) below at the option of the lessee.

(a) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than six meters, from the bottom.

(b) The operator (lessee) shall submit a monitoring plan. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified, independent scientific personnel and that these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank are being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (a) above or other appropriate operational restrictions.

Stipulation No. 5

(To be included only in leases resulting from this sale for Tracts A66-156 and A66-157).

Operations within the area of Sonnier Banks shown as "3 Mile Zone" in Figure 5 (attached to and made a part of this lease) shall be restricted as specified in either (a) or (b) below at the option of the lessee.

(a) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(b) The operator (lessee) shall submit a monitoring plan. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified independent scientific personnel and that these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank are being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (a) above or other appropriate operational restrictions.

Stipulation No. 6

(To be included only in leases resulting from this sale for Tracts A66-166, A66-167, A66-168, and A66-169).

(a) Operations within the area of Alderdice Bank shown as "1 Mile Zone" in Figure 6 (attached to and made a part of this lease) shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(b) Operations within the area shown as "3 Mile Zone" in Figure 6 shall be restricted as specified in either (1) or (2) below at the option of the lessee.

(1) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(2) The operator (lessee) shall submit a monitoring plan. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified independent scientific personnel and that these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank are being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (1) above or other appropriate operational restrictions.

Stipulation No. 7

(To be included only in the lease resulting from this sale for Tract A66-188).

Operations within the area of Diaphus Bank shown as "3 Mile Zone" in Figure 7 (attached to and made a part of this lease) shall be restricted as specified in either (a) or (b) below at the option of the lessee.

(a) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a downpipe that terminates an appropriate distance, but no more than ten meters, from the bottom.

(b) The operator (lessee) shall submit a monitoring plan. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified independent scientific personnel and these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank is being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (a) above or other appropriate operational restrictions.

Stipulation No. 8

(To be included only in leases resulting from this sale for tracts A66-1 through A66-13, A66-15 through A66-22, and A66-26 through A66-36).

[illegible] compensation for such damage, or in any suit based upon a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occur in, on, or above the Outer Continental Shelf, to any person or to any property of any person or persons who are agents, employees or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by lessee in, on, or above the Outer Continental Shelf if such injury or damage to such person or property occurs by reason of the activities of any agency of the U.S. Government, its contractors or subcontractors, or any of their officers, agents or employees, being conducted as a part of, or in connection with the programs and activities of the Naval Air Training Command, Naval Air Station, Corpus Christi, Texas.

Notwithstanding any limitation of the lessee's liability in Sec. 14 of the lease form, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, and to indemnify and save harmless the United States against, all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, subcontractors, or any of their officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

The lessee agrees to control his own electromagnetic emissions and those of his agents, employees, invitees, independent contractors or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the Naval Air Training Command, Naval Air Station, Corpus Christi, Texas, to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing or operational activities, conducted within designated warning areas.

Necessary monitoring control, and coordination with the lessee, its agents, employees, invitees, independent contractors or subcontractors, will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area, provided, however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors or subcontractors and onshore facilities.

The lessee when operating or causing to be operated on its behalf boat or aircraft traffic into the individual designated warning areas shall enter into an agreement with the commander of the Naval Air Training Command, Naval Air Station, Corpus Christi, Texas, on utilizing an individual designated warning area prior to commencing such traffic. Such agreement will provide for positive control of boats and aircraft operating in the warning areas at all times.

Stipulation No. 9

(To be included only in leases resulting from this sale for tracts A66-13, A66-175, A66-176, A66-190, and A66-197 through A66-203).

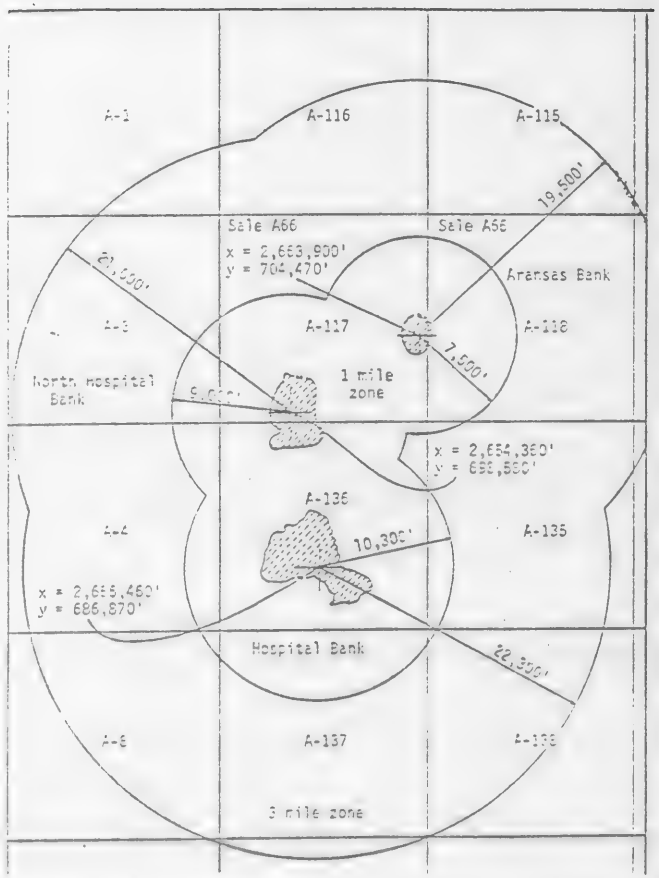
All or portions of this lease may be subject to mass movement of sediments, unstable slopes or shallow faults. Exploratory drilling operations, emplacement of structures (platforms) or seafloor wellheads for production or storage of oil or gas, and the emplacement of pipelines will not be allowed within the potentially unstable portions of this lease block unless or until the lessee has demonstrated to the DOI's satisfaction that mass movement of sediments is unlikely or that exploratory drilling operations, structures (platforms), casing, wellheads and pipelines can be safely designed to protect the environment in case such mass movement occurs at the proposed location. This may necessitate that all exploration for and development of oil or gas be performed from locations outside of the area of unstable sediments, either within or outside of this lease block.

If exploratory drilling operations are allowed, site-specific surveys shall be conducted to determine the potential for unstable bottom conditions. If emplacement of structures (platforms) or seafloor wellheads for production or storage of oil or gas are allowed, all such unstable areas must be mapped. The DOI may also require soil testing before exploration and production operations are allowed.

Stipulation No. 10

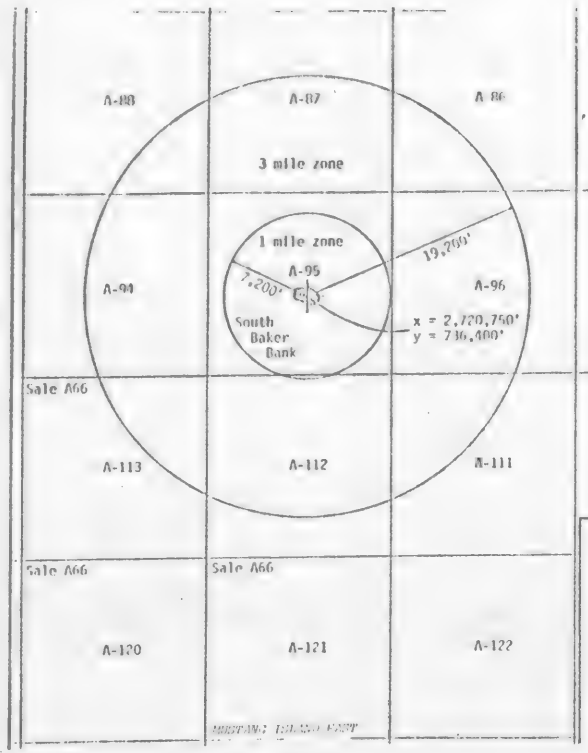
(To be included only in the leases resulting from this sale for the net profit share tracts listed in paragraph 4(a) of this notice).

The net profit share payment specified in section 6 of this lease may be satisfied in whole or in part by the lessor taking production in amount rather than in value, however, not more than 16 2/3 percent of the production saved, removed or sold from the lease area may be taken as a net profit share payment in amount, except as provided in Sec. 15(d); additional net profit share payments shall be calculated to include the value of such production in excess of 16 2/3 percent.



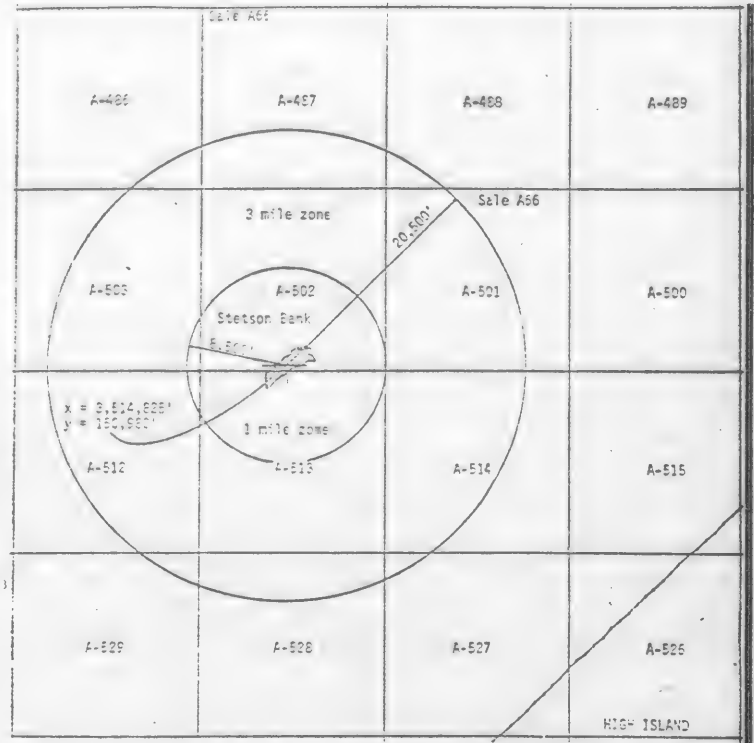
Attachment to Stipulation Number 2

FIGURE 2. North Hospital and Aransas Banks.



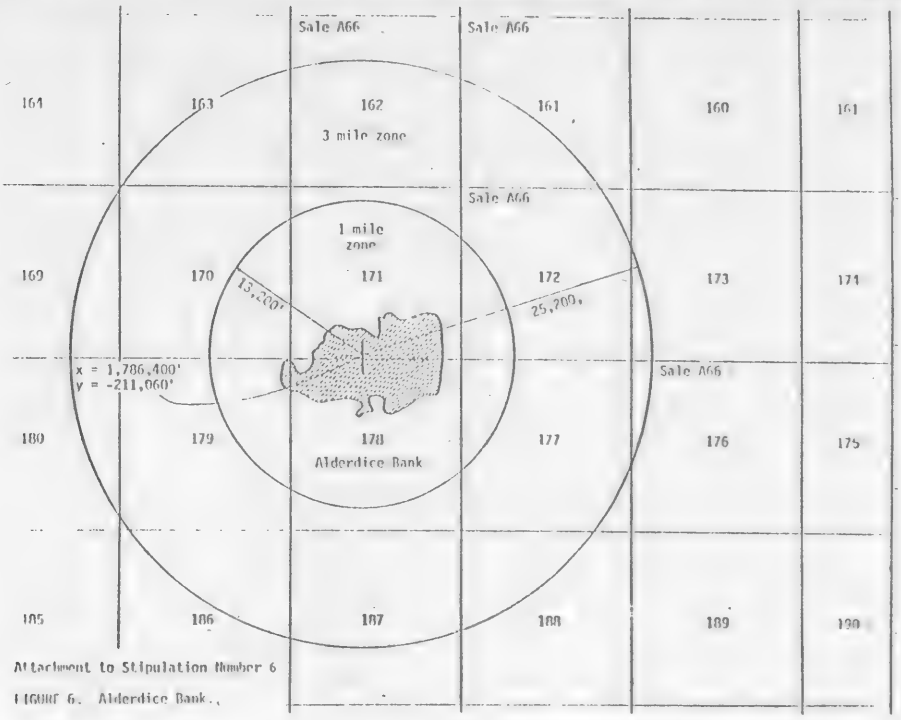
Attachment to Stipulation Number 3

FIGURE 3. South Baker Bank



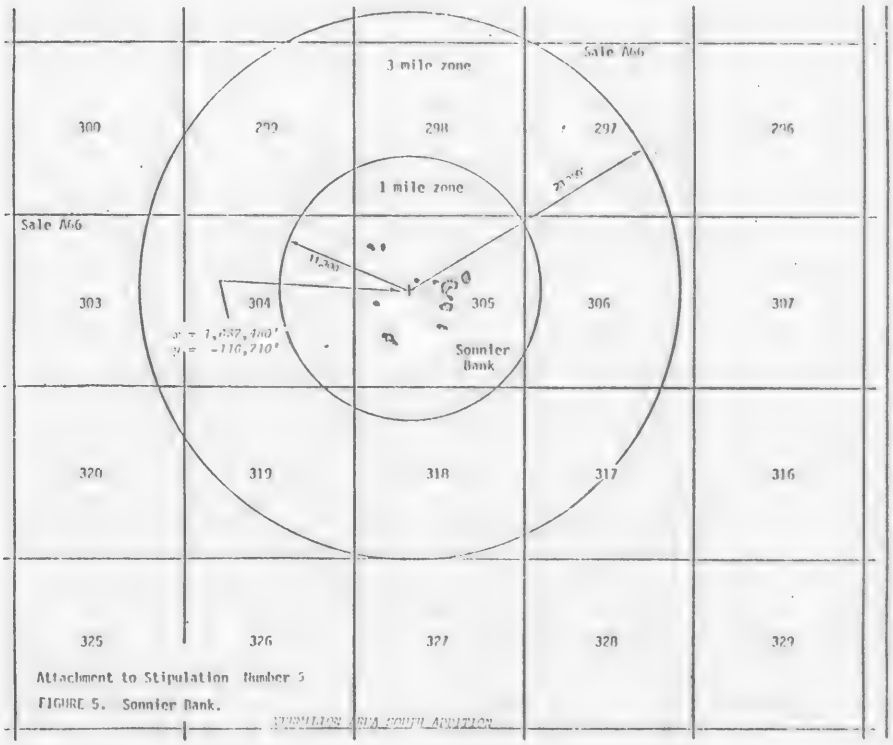
Attachment to Stipulation Number -

FIGURE 4. Stetson Bank.



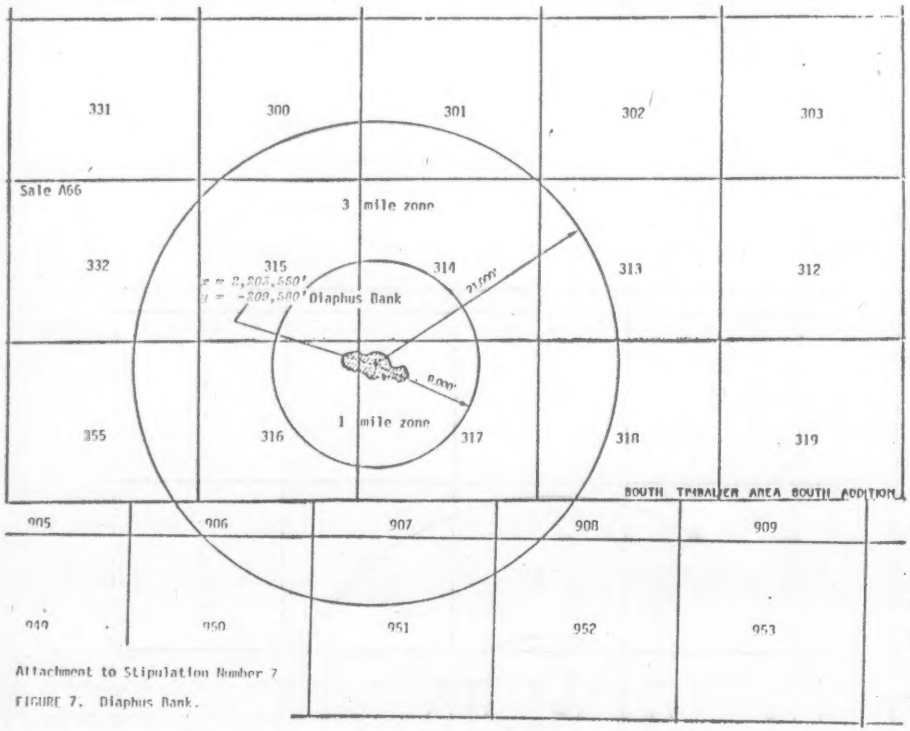
Attachment to Stipulation Number 6

FIGURE 6. Alderdice Bank.



Attachment to Stipulation Number 5

FIGURE 5. Sonnier Bank.



Attachment to Stipulation Number 7

FIGURE 7. Diaphus Bank.

14. Information to Lessees. The Department of the Interior will seek the advice of the States of Texas, and Louisiana and other Federal agencies, to identify areas of special concern which might require appropriate protective measures for live bottom areas and areas which might contain cultural resources.

If it is determined that live bottom areas might be adversely affected by the proposed activities then the Deputy Conservation Manager for Field Operation, USGS, in consultation with the Regional Director, Fish and Wildlife Service (FWS), the Manager, BLM, the States, EPA, and other Federal agencies with jurisdiction and expertise to protect the environment will require the lessee, pursuant to Section 5(a) of the OCS Lands Act, as amended, to undertake any measures to protect live bottom areas.

Operations on some of the tracts offered for lease may be restricted by designation of fairways, precautionary zones, or traffic separation schemes established by the Coast Guard pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.). Corps of Engineers permits are required for construction of any artificial islands, installations and other devices permanently or temporarily attached to the seabed located on the Outer Continental Shelf in accordance with section 4(e) of the Outer Continental Shelf Lands Act of 1953, as amended.

Bidders are advised that the Departments of the Interior and Transportation have entered into a Memorandum of Understanding dated May 6, 1976, concerning the design, installation, operation and maintenance of offshore pipelines. Bidders should consult both Departments for regulations applicable to offshore pipelines.

Bidders are advised that in accordance with Sec. 16 of each lease offered at this sale, the lessor may require a lessee to operate under a unit, pooling or drilling agreement, and that the lessor will give

particular consideration to requiring unitization in instances where one or more reservoirs underlie two or more leases with either a different royalty rate or a net profit share payment.

Bidders are advised that the Department of Energy is authorized, under Section 302(b) and (c) of the Department of Energy Organization Act, to establish production rates for all Federal oil and gas leases.

Revisions of Department of Labor regulations on Affirmative Action requirements for Government Contractors (including lessees) have been assigned a deferred effective date of June 29, 1981, pending review of those regulations (see Federal Register of April 28, 1981, at 46 F.R. 23742). Should those changes become effective at any time before the issuance of leases resulting from this sale, Section 18 of the lease form, Form 3300-1 (September 1978), would be deleted from leases resulting from this sale. In addition, existing stocks of the Affirmative Action Forms described in section 5 of this notice contain language that would be superseded by the revised regulations at 41 CFR 60-1.5(a)(1) and 60-1.7(a)(1) regarding the aggregate value of contracts over a 12-month period (see the Federal Register of December 30, 1980, at 45 F.R. 86231-86232).

Pending the issuance of revised versions of Forms 1140-7 and 1140-8 by the Bureau of Land Management, submission of Form 1140-7 (December 1971) and Form 1140-8 (November 1973) will not invalidate an otherwise acceptable bid, and the revised regulations' requirements will be deemed to be part of the existing Affirmative Action Forms.

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BILLING CODE 4310-84-C

15. OCS Orders. Operations on all leases resulting from this sale will be conducted in accordance with the provisions of all Gulf of Mexico Orders, as of their effective date, and any other applicable OCS Order as it becomes effective.

Ed Hastey
Associate Director, Bureau of Land Management
Ed Hastey

Approved: JUN 17 1981

Donald Paul Hodel
Under Secretary of the Interior
Donald Paul Hodel

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management

Outer Continental Shelf, Gulf of Mexico

Notice of Leasing Systems, Sale No. A66

Sec. 8(a)(8) (43 U.S.C. 1337 (a)(8)) of the Outer Continental Shelf (OCS) Lands Act, as amended, requires that, at least 30 days before any lease sale, a notice be submitted to the Congress and published in the Federal Register:

(A) identifying the bidding systems to be used and the reasons for such use; and

(B) designating the tracts to be offered under each bidding system and the reasons for such designation.

This notice is published pursuant to these requirements.

A. Bidding systems to be used. In OCS Sale No. A66, tracts will be offered under the following two bidding systems as authorized by Sec. 8(a)(1) (43 U.S.C. 1337 (a)(1)): (1) bonus bidding with a fixed net profit share on 24 tracts and (2) bonus bidding with a fixed 16-2/3 percent royalty on 188 tracts.

(1) Bonus Bidding with a Fixed Net Profit Share. This system is authorized by Sec. 8(a)(1)(D) of the OCS Lands Act, as amended. This system was established by Department of Energy (DOE) regulations effective May 14, 1980. OCS Sales A62, 55, and 62 included an offering of a total of 150 tracts under this system. The profit share system designed for this sale may increase competition by generating greater contingency payments to the Government and thereby reducing the initial cash bonus. It may also increase the volume of production, because certain allowable capital costs can be deducted prior to any liability for profit share payments. In addition, the profit share system may foster the development of marginal fields when compared to a royalty system since the Government shares more of the risk and the lessees' incremental costs are lower in the presence of a capital recovery.

A profit share system which uses cash bonus as the bid variable avoids percentage bids at high levels which would make future development either economically inefficient or simply uneconomic. In addition, it is easier to administer and unitize adjacent tracts with similar profit share rates. Furthermore, a fixed profit share better assures that firms who can produce at lower costs are more likely to obtain leases than would be the case if it were possible for less efficient firms to simply bid away higher percentages of lower profits.

For 15 tracts, firms will be permitted an additional recovery factor of 0.25 over their actual allowable costs before any profit share payments are due. Two tracts will have an additional recovery factor of 0.50 and seven tracts will have a 1.00 capital recovery factor. The profit share rate selected for this sale is 50 percent. These parameters were selected on the basis of DOE and DOI studies regarding the effect on bonuses, profit-share payments, government receipts, gross production, minimal economic tract sizes, and particularly on the incentive to alter the production profile.

(2) Bonus Bidding with a 16-2/3 Percent Royalty. This system is authorized by Sec. 8(a)(1)(A) of the OCS Lands Act, as amended. This relatively low royalty rate system has been used extensively since the passage of the OCS Lands Act in 1953 and imposes greater risks on the lessee, but may yield more rewards (i.e., lower contingency payments to the Government) if a commercial field is discovered. The relatively high front-end payments required may encourage rapid exploration. The use of this system will provide data to compare the performance of the alternative systems.

B. Designation of Tracts. The selection of tracts to be offered under the two systems was based on the following factors:

(1) Lease terms on adjacent tracts were considered in order to reduce administrative costs and barriers to unitization, and to enhance orderly development of each field.

(2) A sufficient number of tracts was needed to permit valid statistical analysis while limiting the risks of losses caused by unforeseen problems which could arise in the use of any new bidding system. The number of tracts must also be consistent with the requirements of Sec. 8(a)(5)(B) of the OCS Lands Act, as amended.

(3) The range and distribution of the characteristics of tracts were to be comparable for statistical purposes. Such characteristics include estimated resources, water depth, structure depth, favorable vs. unfavorable location of tracts on structures, and the location of tracts across trends.

The specific tracts to be offered under each system are as follows.

(a) Bonus Bidding with a Fixed Net Profit Share: Bids on tracts A66-9, A66-10, A66-11, A66-12, A66-13, A66-17, A66-51, A66-58, A66-59, A66-60, A66-67, A66-68, A66-69, A66-70, A66-71, A66-175, A66-176, A66-197, A66-198, A66-199, A66-200, A66-201, A66-202, and A66-203 must be submitted on a cash bonus basis with a fixed net profit share rate of 50 percent. Tracts A66-197, A66-198, A66-199, A66-200, A66-201, A66-202, and A66-203 will have a capital recovery factor equal to 1.0 and tracts A66-175 and A66-176 will have factor of 0.50. All of the remaining tracts listed above will have a capital recovery factor equal to 0.25.

(b) Bonus Bidding with 16-2/3 Percent Royalty—All remaining tracts.

Ed Hastey
Associate Director, Bureau of Land Management
Ed Hastey

Approved: JUN 17 1981

Donald Paul Hodel
Under Secretary of the Interior
Donald Paul Hodel

[FR Doc. 81-18372 Filed 6-18-81; 8:45 am]
BILLING CODE 4310-84-C